REMARKS

Claims 73-91 are now pending in this application. Claims 73, 77, and 87 are independent. Claims 77 and 88 have been amended, and claims 1-72 were previously canceled. Claims 89-91 have been added, and no claims have been cancelled by this Amendment.

No new matter is involved with any claim amendment or new claim, as claim 77 has been drafted in independent form, dependent claim 88 has been amended to correct an obvious typographical error, and dependent claims 89-91 have been added to further define that which Applicant is entitled to claim. Support for the claim amendments and new claims may be found, for example, at paragraphs [002], [010]-[017] and [074]-[075] of the originally-filed specification.

I. Administrative Deficiencies of the Final Office Action

A. Ambiguity in the Rejection of Claims 84 and 85

As a threshold matter, Applicant notes that the Final Office Action is ambiguous with respect to the rejection of dependent claims 84 and 85. Claim 84 stands rejected under 35 USC 103(a) as being unpatentable over "Exhibit U" in view of "Official Notice", while dependent claim 85, depending directly upon claim 84, merely stands rejected under 35 USC 102(b) over Exhibit U.

If a Notice of Allowability is not forthcoming in response to this Amendment, clarification of the grounds of rejection of these claims is respectfully requested in the next communication from the Examiner.

B. Ambiguity in the Taking of "Official Notice" in the Rejection of Claims 77 and 80-84

Although the Examiner explicitly states that he is taking "Official Notice", the detailed rejection of claims 77 and 80-84 do not address each limitation of these claims, and fails to identify, specifically, where "Official Notice" is relied upon.

If a Notice of Allowability is not forthcoming in response to this Amendment, clarification of the grounds of rejection and the reliance upon Official Notice in the rejection of these claims is respectfully requested in the next communication from the Examiner.

II. Submission of Rule 1.132 Declaration by Mr. Joseph F. Keenan

Concurrent with the filing of this Amendment and RCE, a Rule 1.132 Declaration by Mr. Joseph F. Keenan (hereafter "Declaration") is being submitted and relied upon to highlight the errors in the Examiner's anticipation and unpatentability rejections, and to provide supporting evidence that provides a clear nexus between the commercial success of Applicant's commercial embodiment and the claimed invention.

Entry and full consideration of the Declaration and the evidence presented therein is respectfully requested.

III. Anticipation Rejection of Claims 73-76, 78-79 and 85-88 under 35 U.S.C. § 102(b) over Non-Patent Literature "Exhibit U"

Withdrawal of the rejection of claims 73-76, 78-79 and 85-88 under 35 U.S.C. § 102(b) as allegedly being anticipated by "*Silver is a good buy but may be quite risky*," SHERYL JEAN, Journal-Bulletin Business Writer, Providence Journal, p. F-08, November 5, 1989, retrieved October 25, 2010 from Business Dateline (hereinafter "Exhibit U") is requested.

A. Discussion of the Rejection

1. The Final Office Action

The Examiner states that that Exhibit U, paragraphs 1-10, discloses each limitation of claims 73-76, 78-79 and 85-88, including, for example, with respect to independent claim 73, "a method for electronically trading shares of physical gold bars over an electronic communications network (ECN), the method comprising: providing an amount of the physical gold bars to a trust, the physical gold bars provided to the trust having a value based at least on a weight thereof (Exhibit U: Abstract; Paragraphs 1-10); receiving a number of trust shares each

representing a proportional ownership interest in the physical gold 'bars (Exhibit U: Paragraphs 1-10); and using the electronic communication network (ECN) to trade one or more of the trust shares (Exhibit U: Paragraphs 1-10).. Applicant traverses.

2. Discussion of "Exhibit U" and its Deficiencies

According to the Examiner, Exhibit U is purportedly directed to method for electronically trading shares of physical gold bars over and electronic communications network (ECN), essentially as claimed in independent claim 73. Applicant traverses, given the paucity of any relevant teachings in Exhibit U, and in consideration of the accompanying Rule 132 Declaration, discussed *infra*.

What Exhibit U ***actually*** teaches, within its minimal disclosure, is quoted below:

> The silver market is suffering from the same conditions as gold.
>
> The current price of silver - a little above $5 an ounce - is cheap and could even drop lower since some countries such as Chile are producing it for about $2 an ounce, said Melvyn J. Frydrych, president of Fleet Precious Metals, a subsidiary of Fleet National Bank.
>
> In fact, silver is at its lowest level since the mid 1980's, when it sold around $4.80, he said. It reached its peak at $50 an ounce in 1980-81.
>
> "It may be a good buy, but it's hard to tell if you will get 10 percent return in a year as with other investments," said Rick D. Lawson, vice president of investment metals for Hospital Trust of Providence.
>
> There are four main ways to invest in precious metals: bullion, certificates, coins and mining stocks. Metal analysts say individual investors are often more interested in metal certificates and coins than stocks, which are considered risky, and bullion, which incurs high storage fees.
>
> * Certificates. A bank or precious metals dealer buys gold or silver for an investor and stores it. This "paper gold" is backed by the metal. There is a service fee.
>
> * Coins. They are issued in gold and silver by the American, Canadian and Australian governments and sold in sizes of one ounce. one half-ounce. one-quarter ounce and one-tenth of an ounce. Australian also issues a platinum coin.
>
> The disadvantages of coins are that the buyer pays minting and marketing costs, which are added to the spot price, and storage costs.

> A one ounce American Gold Eagle coin costs $375.
>
> Locally, Fleet sells gold and silver certificates and metal bars and Norstar Brokerage, a subsidiary, sells the certificates plus American Eagle and Canadian Maple Leaf gold and silver coins. Fleet has a minimum investment of $3,000 in certificates.
>
> Hospital Trust offers gold and silver certificates, a monthly investment program in paper gold, coins from the U.S., Canada and Australia and bars. Its minimum certificate investments are one ounce of gold and 50 ounces of silver, said Lawson.
>
> New markets are also opening. In the last three years, banks have been able to market platinum as a coin, said Lawson. The Australian Khoala platinum coin sells for about $500 an ounce. (Banks have been allowed to sell gold and silver coins since 1975.)
>
> Platinum coins are available at Hospital Trust, Lawson says. "Platinum tends to be more volatile than gold or silver, but it has a great deal of potential and has grown into a mainstream metal."
>
> New demand for coins is coming horn investors in the Far East who could not buy them before.

Applicant points out, as can readily be seen from the quotation above, that Exhibit U is completely silent on many (if not all) limitations recited in Applicant's pending claims. For example, Exhibit U, with its bare-bones disclosure, provides absolutely no disclosure, teaching, or suggestion of the limitations of independent claim 73:

1. Providing physical gold bars to a trust – Exhibit U makes no mention of a legal "trust" relationship as required by the present claims, outside of the coincidental name of a bank that sells gold and silver certificates, i.e., "Hospital Trust, " more fully known as Rhode Island Hospital Trust National Bank in Providence, Rhode Island.
2. Receiving a number of trust shares representing proportional ownership in the physical gold bars – Exhibit U merely discloses the old practice of using silver and gold certificates to represent physical gold. As would be known with a person with skill in the art, and as supported by the accompanying Rule 132 Declaration, a gold or silver certificate is, in no way, equivalent to or suggestive of a "trust share."
3. Trading of trust shares of the physical gold over an electronic communications network (ECN) – Exhibit U does not even hint at the use of any electronic communications network to effect the trading of gold, particularly gold trust shares.

Further, Exhibit U, provides absolutely no disclosure, teaching, or suggestion of the limitations of dependent claim 76, even when carefully considering the Examiner's citation to the Abstract and "[p]lease see entire article":

4. Trading of trust shares of the physical gold over an electronic communications network (ECN) via a securities exchange so as to create a secondary market for the trust shares – Exhibit U merely describes conventional methods of dealing with gold and silver trading, i.e., "[t]here are four main ways to invest in precious metals: bullion, certificates, coins and mining stocks. Metal analysts say individual investors are often more interested in metal certificates and coins than stocks, which are considered risky, and bullion, which incurs high storage fees." There is no mention of trading ***anything*** over an ECN via a securities exchange, much less trading trust shares that represent a proportional interest in physical gold, much less creating a "secondary market" for the trust shares.

B. Discussion of the Declaration

In the interests of brevity, the accompanying Declaration by Mr. Joseph F. Keenan is incorporated herein by reference in its entirety.

1. Exhibit U does not Anticipate Claims 73-76, 78-79 and 85-88

The Examiner's attention is invited to at least paragraphs 17-24 and 33-44 of the Declaration, which sets forth several reasons why Exhibit U does not anticipate independent claims 73 and 87. For example, Exhibit U does not disclose any of the provision of physical gold bars to a trust, the creation of trust shares, or the trading of the trust shares over an ECN.

C. Specific Deficiencies of the Applied Art with Respect to the Claims

1. Independent Claim 73

The applied art does not disclose a method for electronically trading shares of physical gold bars over an electronic communications network (ECN), wherein the method includes, *inter alia*, "***providing an amount of the physical gold bars to a trust***, the physical gold bars provided

to the trust having a value based at least on a weight thereof; ***receiving a number of trust shares each representing a proportional ownership interest in the physical gold bars***; and ***using the electronic communication network (ECN) to trade one or more of the trust shares, wherein said using the ECN to trade one or more of the trust shares facilitates purchase or sale of the trust shares by an investor and provides liquidity with respect to the trading of the physical gold bars***," as recited in independent claim 73, as amended (***emphasis*** added).

2. Independent Claim 87

The applied art does not disclose a method for electronically trading shares of physical gold bars over an electronic communications network (ECN), wherein the method includes, *inter alia*, "***receiving an amount of physical gold bars in a trust***, the physical gold bars received having a value based at least on a weight thereof; ***creating trust shares, each share representing a proportional ownership interest in the physical gold bars in the trust; enabling trading of the trust shares over the electronic communications network, wherein said enabling trading of the trust shares over the ECN facilitates purchase or sale of the trust shares by an investor and provides liquidity with respect to the trading of the physical gold bars***," as recited in independent claim 87, as amended (***emphasis*** added).

Accordingly, since the applied art does not teach or suggest all the claimed limitations, particularly the ***bold, italicized*** limitations highlighted above, reconsideration and allowance of independent claims 73 and 87 are respectfully requested. In addition, dependent claims 74-76, 78-86, and 88 variously and ultimately depend from the patentable independent claims, and are submitted as being allowable at least on that basis, without further recourse to the patentable features recited therein.

IV. Unpatentability Rejection of Claims 77 and 80-84 under 35 U.S.C. § 103(a) over Exhibit U in View of Official Notice

Withdrawal of the rejection of claims 77 and 80-84 under 35 U.S.C. §103(a) as allegedly being unpatentable over Exhibit U in view of Official Notice is requested. The Examiner has failed to make a *prima facie* case of unpatentability, particularly with respect to the claims as amended. Exhibit U has been discussed above.

A. Discussion of the Rejection

1. The Office Action

The Examiner states that Exhibit U discloses the limitations of independent claim 73, from which claim 77 depends, and then appears to take "Official Notice" that the securities exchange is the New York Stock Exchange, along with "Official Notice" that, with respect to dependent claims 80-84 variously reciting "creation orders" (claim 80) and "redemption orders" (claim 84), "the obvious teaching is that Exhibit U discusses a system and method which is responsible for the usage/creation of such commodities (See Exhibit U at least at Abstract; Paragraphs 1-10)."

While the Undersigned notes a subtle technical difference between "usage/creation of such commodities" (which Applicant does not claim) and electronic trading of trust shares, the Examiner ignores additional limitations in dependent claims 81-83, and merely repeats, *verbatim*, the rejection for claims 80 and 84.

Applicant therefore traverses the improper taking of Official Notice, as discussed more fully below.

B. Deficiencies of Exhibit U

Applicant reiterates that Exhibit U is completely silent on many (if not all) limitations recited in Applicant's pending claims. For example, Exhibit U, provides absolutely no disclosure, teaching, or suggestion of the limitations of independent claim 73, e.g., Exhibit U does not disclose any of the provision of physical gold bars to a trust, the creation of trust shares, or the trading of the trust shares over an ECN. In addition, and as admitted by the Examiner, Exhibit U is completely silent on the securities exchange being the New York Stock Exchange. In support of these statements, please see paragraphs 34-48 of the Declaration.

C. Improper Reliance Upon "Official Notice"

As required by MPEP 2143.03, to establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the applied art. As further stated in MPEP 2144.03, it is only appropriate in limited circumstances for an Examiner to take "Official Notice" or to rely on "common knowledge" or assertions of "well-known" art in making a rejection.

The MPEP goes on in that section to require that any rejection based on assertions that a fact is well-known or is common knowledge in the art without documentary evidence to support the Examiner's conclusion should be judiciously applied. Furthermore, any facts so noticed should be of notorious character and serve only to "fill in the gaps" in an insubstantial manner which might exist in the evidentiary showing made by the Examiner to support a particular ground for rejection. It is never appropriate to rely solely on common knowledge in the art without evidentiary support in the record as the principal evidence upon which a rejection was based.[1]

> Official notice without documentary evidence to support an examiner's conclusion is permissible only in some circumstances. While "official notice" may be relied on, these circumstances should be rare when an application is under final rejection or action under 37 CFR 1.113. Official notice unsupported by documentary evidence should only be taken by the examiner where the facts asserted to be well-known, or to be common knowledge in the art are capable of instant and unquestionable demonstration as being well-known. As noted by the court in *In re Ahlert*, 424 F.2d 1088, 1091, 165 USPQ 418, 420 (CCPA 1970), the notice of facts beyond the record which may be taken by the examiner must be "capable of such instant and unquestionable demonstration as to defy dispute" (citing *In re Knapp Monarch Co.*, 296 F.2d 230, 132 USPQ 6 (CCPA 1961)).
>
> * * *
>
> It would not be appropriate for the examiner to take official notice of facts without citing a prior art reference where the facts asserted to be well known are not capable of instant and unquestionable

[1] *See In re Zurko*, 258 F.3d 1379, 59 USPQ2d 1693 (Fed. Cir. 2001); *In re Ahlert*, 424 F.2d 1088, 165 USPQ 418 (CCPA 1970).

demonstration as being well-known. For example, assertions of technical facts in the areas of esoteric technology or specific knowledge of the prior art must always be supported by citation to some reference work recognized as standard in the pertinent art. *In re Ahlert*, 424 F.2d at 1091, 165 USPQ at 420-21. *See also In re Grose*, 592 F.2d 1161, 1167-68, 201 USPQ 57, 63 (CCPA 1979)...("[W]e reject the notion that judicial or administrative notice may be taken of the state of the art. The facts constituting the state of the art are normally subject to the possibility of rational disagreement among reasonable men and are not amenable to the taking of such notice.").

It is never appropriate to rely solely on "common knowledge" in the art without evidentiary support in the record, as the principal evidence upon which a rejection was based. *Zurko*, 258 F.3d at 1385, 59 USPQ2d at 1697 ("[T]he Board cannot simply reach conclusions based on its own understanding or experience-or on its assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the record in support of these findings."). While the court explained that, "as an administrative tribunal the Board clearly has expertise in the subject matter over which it exercises jurisdiction," it made clear that such "expertise may provide sufficient support for conclusions [only] as to peripheral issues." *Id.* at 1385-86, 59 USPQ2d at 1697. As the court held in *Zurko*, an assessment of basic knowledge and common sense that is not based on any evidence in the record lacks substantial evidence support. *Id.* at 1385, 59 USPQ2d at 1697. *See also In re Lee*, 277 F.3d 1338, 1344-45, 61 USPQ2d 1430, 1434-35 (Fed. Cir. 2002) (In reversing the Board's decision, the court stated "'common knowledge and common sense' on which the Board relied in rejecting Lee's application are not the specialized knowledge and expertise contemplated by the Administrative Procedure Act. Conclusory statements such as those here provided do not fulfill the agency's obligation....The board cannot rely on conclusory statements when dealing with particular combinations of prior art and specific claims, but must set forth the rationale on which it relies.").

MPEP 2144.03

Applicants submit that the Examiner's reliance on "Official Notice", "common knowledge", or "well known" features to provide a teaching of the variously recited limitations in dependent claims 77 and 80-84 as stated by the Examiner on pages 6-8 of the office action is not in accordance with the MPEP. These dependent claim limitations include:

- wherein said using the ECN to trade one or more of the trust shares over the ECN comprises trading via a securities exchange so as to create a secondary market for the trust shares, wherein the securities exchange is the New York Stock Exchange (claim 77).

- establishing a creation order that requests creation of the trust shares (claim 80).

- wherein said creation order requests creation of a minimum amount of the trust shares or a multiple of the minimum amount (claim 81).

- wherein said creation order requests creation of a specific number of trust shares (claim 82).

- wherein said creation order requests creation of a number of trust shares that correspond to a specified amount of the physical commodity (claim 83).

- providing a redemption order comprising a request to redeem one or more trust shares corresponding to an associated physical amount of the delivered gold bars (claim 84).

Applicants submit that these extensive dependent claim limitations are not, in any sense, "gap filling", and as such, the taking of Official Notice is inappropriate.

If such recited features are, indeed, "well-known" and capable of "instant and unquestionable demonstration as being well-known" as required by the MPEP (and the law), then ***it should present no burden to the Examiner to present one or more properly combinable references which provides a teaching or suggestion of the dependent claim limitations in a new, non-final office action***.

Accordingly, because the applied art does not teach or suggest all the invention as claimed, and because the Examiner's taking of "Official Notice" is improper, as discussed above, withdrawal of the rejection and allowance of claims 77 and 80-84 are respectfully requested.

D. Specific Deficiencies of the Applied Art with Respect to Claim 77

1. Independent Claim 77

The applied art does not disclose a method for electronically trading shares of physical gold bars over an electronic communications network (ECN), wherein the method includes, *inter alia*, "***providing an amount of the physical gold bars to a trust***, the physical gold bars provided to the trust having a value based at least on a weight thereof; ***receiving a number of trust shares each representing a proportional ownership interest in the physical gold bars; and using the electronic communication network (ECN) to trade one or more of the trust shares, wherein said using the ECN to trade one or more of the trust shares over the ECN comprises trading via a securities exchange so as to create a secondary market for the trust shares, wherein the securities exchange is the New York Stock Exchange, and wherein said trading one or more of the trust shares via the securities exchange facilitates purchase or sale of trust shares by an investor and provides liquidity with respect to the trading of the physical gold bars***," as recited in independent claim 77, as amended (***emphasis*** added).

Accordingly, since the applied art does not teach or suggest all the claimed limitations, particularly the ***bold, italicized*** limitations highlighted above, reconsideration and allowance of independent claim 77 are respectfully requested.

In addition, dependent claims 80-84 variously and ultimately depend from patentable independent claim 73, discussed above, and are submitted as being allowable at least on that basis, without further recourse to the patentable features recited therein.

E. Secondary Consideration for Allowance of Claim 77 – Commercial Success

Even assuming, *arguendo*, that the Examiner has properly established a proper *prima facie* case for unpatentability of claim 77, ***which Applicant specifically does not admit***, the secondary consideration of "commercial success" of Applicants claimed method provides an alternative basis for allowance, as discussed below.

Independent claim 77 now recites, in pertinent part, "...wherein said using the ECN to trade one or more of the trust shares over the ECN comprises trading via a securities exchange so as to create a secondary market for the trust shares, wherein the securities exchange is the New York Stock Exchange, and wherein said trading one or more of the trust shares via the securities exchange facilitates purchase or sale of trust shares by an investor and provides liquidity with respect to the trading of the physical gold bars."

The Declaration sets forth in detail the overwhelming commercial success of Applicant's Gold Trust ETF. In particular, see paragraphs 26-32 and 47-52 of the Declaration, which provide evidence of the popularity of the trading of gold trust shares as claimed by Applicant, in particular the trading of gold trust shares on the New York Stock Exchange, including identification of the fact that the Gold Trust (GLD) was the largest ETF in existence as of 19 August 2011.

This popularity is seen to be directly related to the liquidity and ease of trading provided by the use of a securities exchange, e.g., the New York Stock Exchange. In particular, see paragraphs 27-32 and 49-53 of the Declaration.

Accordingly, reconsideration and allowance of claim 77 are requested on this alternative basis.

V. New Claims

New dependent claims 89-91 have been drafted to avoid the art of record, and to further define that which Applicant is entitled to claim without the addition of new matter. Support may be found at least at paragraph [017] of Applicant's original specification. Consideration and allowance of newly presented claims 89-91 are respectfully requested.

VI. Conclusion

All rejections having been addressed, Applicant submits that each of pending claims 73-91 in the present application is in immediate condition for allowance. An early indication of the same would be appreciated.

In the event the Examiner believes that a further interview would be helpful in resolving any outstanding issues in this case, the Undersigned Attorney is available at the telephone number indicated below.

For any fees that are due during the pendency of this application, including fees for extensions of time and this RCE, please charge Deposit Account Number 03-3975 from which the Undersigned Attorney is authorized to draw. The Commissioner for Patents is also authorized to credit any over payments to the above-referenced Deposit Account.

Date: 26 September 2011

Respectfully submitted,

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Attachments: Petition for 3-Month Extension of Time
Request for Continued Examination
Rule 1.132 Declaration of Joseph F. Keenan